



DEPARTMENT OF VETERANS AFFAIRS
Regional Office
P.O. Box 1437
St. Petersburg, FL 33731-1437

In Reply Refer To: 317/26

March 23, 2006

INFORMATION BULLETIN 26-06-15

TO: ALL LENDERS AND APPRAISERS

SUBJECT: LOAN GUARANTY MATTERS RELATING TO DESIGNATED DISASTER AREAS IN ALABAMA, FLORIDA, MISSISSIPPI, PUERTO RICO AND THE U.S. VIRGIN ISLANDS

1. In order to protect veterans purchasing properties located in areas that have been declared disaster areas by the President, the following processing guidelines have been established.
2. If the Uniform Residential Appraisal Report is dated on or before the date of the disaster or disaster declaration, and the loan was not closed before the disaster or disaster declaration, the case should be processed as described below.
3. **If no damages are reported**, the lender should re-inspect the property and provide the certifications listed in paragraph 5 below. Lenders may elect to have the fee appraiser perform the re-inspection.
4. **If damages are reported**, the lender should not close the loan until the damages are properly repaired. Repairs must be at no cost to the veteran. When repairs are completed, the fee appraiser who performed the original appraisal should re-inspect the property and submit a report on his/her letterhead stationary. The report will be provided to the lender with a copy to VA. The use of e-mail is encouraged to expedite processing. After all needed repairs have been satisfactorily completed, the lender should provide the certifications listed in paragraph 5 below.
5. Lenders are required to provide the following two certifications on their letterhead:

LENDER CERTIFICATION-"This is to affirm that the property which is security for VA loan number LH _____suffered no damage, or if it did, the property has been restored to pre-storm or better condition." This certification must be signed by an appropriate official of the lender.

VETERAN CERTIFICATION-"I have viewed the property and find the condition is acceptable to me and I am still willing to close the loan." This certification must be signed by the veteran-purchaser.

6. If the original appraiser is not available, please contact our office for the names of available appraisers.
7. When a disaster area is declared, the following types of Loan Guaranty cases involving properties located in the disaster area must be suspended:
 - a) Loan Applications received by VA but no commitment has been issued.
 - b) Commitment issued by VA, but the loan has not been closed by the lender (as well as loans being processed on an automatic basis which have not been closed).

These cases will remain suspended until either: 1) the lender's re-inspection (see paragraphs 3-5 above) shows that the property suffered no damage; or 2) firm arrangements have been made to repair the property.

8. Loans that were closed prior to the disaster are not subject to the instructions in this information bulletin. Guaranty for these cases will be processed as usual.
9. Please contact the St. Petersburg Regional Loan Center at 1-888-611-5916 with any questions.
10. We appreciate your continued cooperation.

William A. Cipolla
Loan Guaranty Officer